

of notes outstanding, and it was provided that the bank should from its profits first pay 750,000 crowns (\$200,000) into the public Treasury and also pay into the Treasury one-quarter of the profits remaining after the distribution to the shareholders of a dividend of six per cent.¹ As banking is comparatively unrestricted in Denmark except in the matter of note issue, the National Bank has encountered active competition from joint-stock banks and private bankers ; but its circulation and general accounts have gradually increased in volume. The average issue of bank-notes was about 50,000,000 crowns for the five years ending with 1871; 69,000,000 crowns for the five years ending with 1881; and 78,000,000 crowns (\$21,000,000) for the five years ending with 1891. The balance sheet for July 31, 1907,—the end of the bank's fiscal year,—showed circulation of 121,675,000 crowns (\$32,830,000) ; a gold reserve of 95,069,000 crowns (\$25,600,000); and commercial discounts of 35,581,000 crowns (\$9,550,000). The National Bank took an active part in allaying the tendency to panic which followed an important bank failure in the winter of 1908. The pressure in Germany reacted upon all the Scandinavian countries, and especially upon Copenhagen, by the withdrawal of foreign capital from Scandinavian enterprises.³ The result was the suspension on February 6, 1908, of the Freeholders' Bank (*Grundejer-bank*), followed by a run on several institutions and a serious fall in the value of bank shares. The Retailers' Bank (*Detailhandlerbank*) in particular suffered a drop of twenty points in its shares and fears were entertained for its safety. Accordingly, on Sunday, February 9th, a meeting was called by the Minister of Finance, at which the National Bank and the four other leading banks were represented. It was finally decided that the Treasury and these five leading-banks should jointly undertake a full guarantee not only for the liabilities of the suspended bank, but also for the Retailers' Bank. The guarantee was unlimited, but as a

¹ *Economists Europe*, November 8, 1907, XXXII., 602. * *London Economist*, February 15, 1908, LXVI, 314.